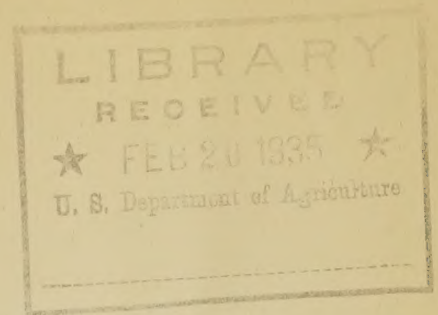


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DAIRY SECTION
Agricultural Adjustment Administration

MILK MARKET NOTES

February 1, 1935.

Charles Smith went to Ft. Wayne, Indiana, to confer with Market Administrator Herman Christiansen, and producers and distributors in the Sales Area in regard to the price war which has developed as a result of a producers' cooperative entering retail distribution.

John Dunaway was asked to attend a meeting at Austin, State Capital, in order to give certain legislators the benefit of his experience in dealing with problems arising under milk licenses.

C. W. Humrickhouse, who has been assisting Market Administrator Herman Christiansen, was designated Market Administrator and Agent of the Secretary for the Indianapolis and Ft. Wayne, Indiana, Sales Areas. Herman Christiansen's appointment as Market Administrator and Agent of the Secretary for the Indianapolis and Ft. Wayne Sales Areas was terminated, and he was appointed Market Administrator for the Fort Worth, Texas, Sales Area.

O. A. Jamison's designation as Market Administrator for the Fort Worth, Texas, Sales Area was terminated and he was appointed Market Administrator for the Providence, Newport, Fall River and New Bedford Sales Areas.

The designation of S. W. Tator as Market Administrator for the Providence, Newport, Fall River and New Bedford Sales Areas was terminated. This leaves Mr. Tator Market Administrator for the Boston License.

A. H. Lauterbach left Washington on January 26 for a trip which will take him to the West Coast. He arrived in Denver on Monday the 28th and met with representatives of the industry in Market Administrator C. E. Hough's office. On the 29th he stopped off for a few hours in Salt Lake City, during which time he met with people who are interested in the milk business in Utah. After leaving Denver, he went to San Diego via Los Angeles. He was able to reach San Diego on the day before the new License for the San Diego Sales Area became effective. After a two-day stay in Los Angeles he left for San Francisco.

A hearing on an amended License for the Greater Boston Sales Area was held in Burlington, Vermont, on January 28 and 29, and at Boston, Massachusetts on January 30. The Dairy Section was represented by E. M. Harmon.

The old License for the San Diego, California, Sales Area has been cancelled and a new License substituted effective February 1, 1935. Market Administrator H. C. Darger of Los Angeles has also been appointed Market Administrator for the San Diego Sales Area.

AROUND THE MILKY WAY

Alameda County, Calif. - Market Administrator Charles F. Kunkel.

Reports no change in operation of license. Increases in retail sales are reported. Price of 92 score butter in San Francisco for past week was \$0.3364.

Atlanta, Georgia - Market Administrator Alfred W. Howard.

The Industry Advisory Committee in its meetings for allocating bases has agreed on a plan establishing temporary bases for February. Can-shipping producers express belief their base problems can be adjusted. Attempts are being made to unify market on minimum resale dissents. Indications point toward gradual stabilization of market under license. Market Administrator offices have been moved to 516 - 20 Glenn Building.

Boston, Mass. - Market Administrator Samuel W. Tator.

A public hearing on a proposed amended license at Burlington, Vermont, on January 28 and 29 and continuing at Boston on the 30th, gave producers an opportunity to support requests for price increases. Those wishing to file briefs after the hearing were given five days before the final drafting of an amended license. The Massachusetts Milk Control Board in issuing a schedule of minimum resale prices for this area retained prevailing prices with the exception of a 2-cent increase on half pints of cream. Barton, Vermont, Farmers' Day meeting and the Annual Meeting of the Granite State Dairymen's Association held on January 31 were addressed by Mr. J. W. Tapp of the Agricultural Adjustment Administration, Dr. Roger Corbett of the Department of Agriculture, Administrator Tator, and Mr. Aplin of the Administrator's office.

Chicago, Illinois - Market Administrator Frank C. Baker.

Reports no change in operation of license or conditions in market. Comment has been made by the press on the 3 cent raise to consumers in last eight months.

Denver, Colorado - Market Administrator C. E. Hough.

Although some price cutting exists, license is still operating 100 per cent. Some relief from pressure of surplus milk realized by improvement of butter market. Mr. A. H. Lauterbach and Mr. O. H. Hoffman, Jr. held meeting with producers and distributors in the market and with outside visitors interested in interstate movements of butter. Administrator Hough explained the purpose and operation of the license at the Annual Meeting of the Colorado Dairy Manufacturers' Association on January 30.

Des Moines, Iowa - Market Administrator William O. Ferdue.

Reports no change in prices, little change in operation of license.

Detroit, Michigan - Market Administrator E. M. Bailey.

Payments to equalization accounts are being made promptly. Two distributors, who paid October prices for November milk, are paying balances due their producers. Butter price increases occasioned a meeting between Sales Committee of producers and distributors to discuss increase in Class I price. Wholesale prices on cream have not increased. Mr. Smith of the Dairy Section visited the market.

Dubuque, Iowa - Market Administrator William O. Ferdue.

Producers' prices are: Class I, \$1.60; Class II, \$1.61; Class III, \$1.33. No changes in wholesale or retail prices, little change in operation of license.

Evansville, Indiana - Market Administrator E. C. Reeves.

Violators against whom hearings were held definitely agree to cooperate with license. Stabilization of conditions through increase in minimum resale prices is anticipated.

Fall River, Mass. - Market Administrator O. A. Jamison.

No new developments are reported.

Kansas City - Market Administrator Max M. Morehouse.

Prices maintained in Kansas City, Missouri. Unverified reports of prices below license minimums on poor quality milk at Kansas City, Kansas, are made. Some factors disturbed over Kansas situation. Kansas delegates not in interest of State Milk Control.

Leavenworth, Kansas - Market Administrator Max M. Morehouse.

Reports no changes in prices or operation of license. Milk production about constant. Members of the Command at Fort Leavenworth are to be advised of the violation of Cloverleaf Dairy and may use their discretion in continuing purchases.

Lexington, Kentucky - Market Administrator Fred T. Flynn.

Reports no change in prices. Anticipated visit of Mr. Smith of the Dairy Section and Mr. McDavid of the Field Investigation Section is expected to assist in getting producers to understand benefits to be derived from equalization payments.

Lincoln, Nebraska - Market Administrator A. N. Heggen.

Butter price increases welcomed by producers, causing some talk of a request of 1 cent a quart increase to consumers in order to realize increase to producers. Emergency Relief Administration of Lancaster County ordered its clients to purchase milk only from dairies complying with license.

Louisville, Kentucky - Market Administrator Fred T. Flynn.

Reports prices unchanged. Some factors believe reduction of wholesale price from 10 cents a quart on milk to 9 cents will stop chiseling. The question was referred to a committee of three producers for investigation. Efforts are being made to get three classifications of milk instead of two.

New Bedford, Mass. - Market Administrator O. A. Jamison.

No new developments.

Newport, Rhode Island - Market Administrator O. A. Jamison.

No new developments.

Omaha-Council Bluffs - Market Administrator A. N. Heggen.

It is the understanding Council Bluffs price to go back to 10 cents a quart retail effective February 1. Much interest in the State Milk Control Bill is expressed.

Phoenix, Arizona - Market Administrator John S. Malone.

All distributors, except one, and producer-distributors, complying with license. The producers' association desires an increase in prices. This meets approval of only two distributors unless there is an increase in minimum resale prices.

Providence, Rhode Island - Market Administrator O. A. Jamison.

Reports no changes in prices. Three distributors have applied for a restraining injunction against license.

Quad Cities - Market Administrator Robert Osborn.

Three distributors paid back accounts and two others made substantial payments reducing indebtedness. Feeling between producers and distributors improved as result of price agreement last week. Adjustments in bases probably will be requested soon by producers.

San Francisco, Calif. - Market Administrator C. F. Kunkel.

Conditions same as last week. Increases in milk sales noted. Hearings on violations scheduled for February 4.

Sioux City, Iowa - Market Administrator A. N. Heggen.

License serving well in stabilizing market. High butter prices narrowing margins. All factors interested in State Milk Control legislation.

Topeka, Kansas - Market Administrator Max M. Morehouse.

Producers compelled one distributor to settle back accounts and comply with license by informing him they would refuse to deliver milk to his plant. Only two other producer-distributors are not complying with license. Other conditions unchanged.

Tulsa, Oklahoma - Market Administrator J. B. McCroskey.

Producers' prices being increased, pasteurizing dealers increased street prices 1 cent a quart on standard milk and 2 cents a quart on premium milk during the middle of January. An additional increase of 1 cent a quart on standard milk was made January 29.

Wichita, Kansas - Market Administrator J. B. McCroskey.

Market apparently in stable condition.

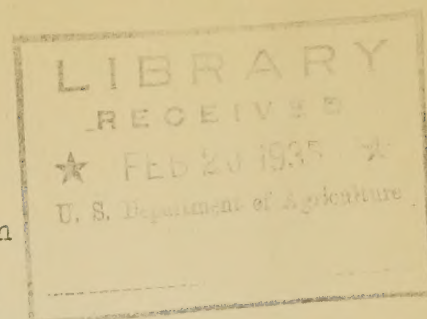
Milk and Cream Prices for Week Ending February 1, 1935.

Markets	Standard Milk Prices Per Quart			Half Pints Light Cream		
	Wholesale	Store	Retail Del.	Wholesale	Store	Retail Del.
Alameda County	8 $\frac{1}{2}$ ¢	10¢	11¢	($\frac{1}{2}$ pint) 6¢	8¢	9¢
Boston	9 $\frac{1}{2}$ ¢	11	12	-	-	-
Chicago	9 $\frac{1}{2}$ ¢	11	11	12 $\frac{1}{2}$ ¢	14	14
Denver	8	9-10	9-11	9-10	10-11	12
Evansville	8	9-10	9 $\frac{1}{2}$ ¢	10 $\frac{1}{2}$ ¢	12	12
Lexington	8-10	11	10-12	12	14	14
Louisville	10	11	12	12	14	14
Omaha	8	-	10	8	-	10
Council Bluffs	7 $\frac{1}{2}$ ¢	-	9	7 $\frac{1}{2}$ ¢	-	9
Phoenix	7	8-9	8-10	10	12	12
Quad Cities	8	9-10	9-10	10	11-13	11-13
San Francisco	8	10	12	($\frac{1}{2}$ Pint) 8	10	11
St. Louis City	7	7-9	9	8	-	10
Tulsa	10	11	12	12	13	14
Wichita	7 $\frac{1}{2}$ ¢	9-10	9-10	9	10	10

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DAIRY SECTION
Agricultural Adjustment Administration

MILK MARKET NOTES



February 8, 1935.

MILK MEN

John McGill divided the week between Trenton, New Jersey; Albany, N. Y.; and New York City, where he was engaged in securing information concerning the New York City Milk Shed.

John Dunaway has been busy at Fort Worth giving assistance to the new Market Administrator Herman Christiansen, and helping the outgoing Market Administrator O. A. Jamison and Attorney Hunter in the preparation of cases against two violating distributors. These hearings will be held on February 11.

Charles Smith was called to Louisville, Kentucky, by Market Administrator F. T. Flynn to meet with producers and distributors. Although the Louisville market is going through one of its bi-annual price wars, Mr. Smith informs us that none of the cuts will be taken from the farmers' milk checks.

O. H. Hoffman, Jr., has spent considerable time in meetings with producers and distributors in the Los Angeles area. Mr. Hoffman hopes that an agreement on changes in the License may be soon forthcoming.

Mr. A. H. Lauterbach spent two days in San Francisco where he conferred with Market Administrator Kunkel, representatives of the Field Investigation Section, producers and distributors. On February 5, he addressed the Oregon Dairymen's Association Meeting at McMinnville, Oregon; on February 6, the Washington Dairymen's Association Meeting at Shelton, Washington. He spent February 7 in Seattle, Washington; and February 8, he attended a meeting of the Oregon Cooperative Council at Portland, Oregon.

NEW MILK LICENSE CIRCULARS

Commodity Information Series, Milk Leaflet No. 1, is now off the Government presses and your copy is enclosed. This is the first one edited by the AAA staff for limited local circulation in the licensed area. One other circular is in the works at present. It is a new idea and must be given a practical test in the market to see how well it is received and how much it helps educate the producers and other parties on the market as to the objectives of the license. Suggestions on this circularizing of license information will be welcome.

AROUND THE MILKY WAY

Ann Arbor - Market Administrator L. C. Collier.

Pool is restored and operating well. Market seeks advance in price.

Atlanta - Market Administrator A. W. Howard.

All but 10 producer-distributors out of total of 300 reported at last period. A meeting to explain the license was held at Decatur, and the reaction of producer-distributors improved as a result. All 12 distributors are reporting to the Administrator. The stabilization of the market by means of the license seems assured.

Chicago - Market Administrator Frank C. Baker.

Conditions rather quiet. Dealers said to be in better frame of mind at present, although the advancing butter market has sent up their cost of Classes 2, 3 and 4 milk. Associated dealers opposed to pending state milk control law introduced in legislature. How much support the Pure Milk Association will give to the bill is not known.

Des Moines - Market Administrator William O. Perdue.

Producers' association wants . cent greater butterfat differential used in license, and some hope for increase in Class I price. Later decision by the directors was not to ask for any price increase, but only the change in butterfat differential.

Detroit - Market Administrator E. M. Bailey.

January base milk figured \$2.11 and surplus \$1.14 per 100 pounds. Conferences between producers and distributors relative to a proposed advance in producers' price and retail schedule held during the week.

Denver - Market Administrator C. E. Hough.

License operating 100 per cent. Efficient dealers well satisfied. Inefficient ones with low volume and low prices complain somewhat. Last half of January the payment advanced from 47 cents to 49 cents per pound of butterfat.

Dubuque - Market Administrator William O. Perdue.

Producers want increase of one cent in butterfat differential in the license and may also ask for a new fourth class milk, putting ice cream into Class 3 and using the new class for manufactured products other than ice cream.

Evansville - Market Administrator E. C. Reeves.

One non-complying dealer reported on time in January. Sales of milk advanced in volume 2 per cent in January.

Fall River - Market Administrator O. A. Jamison.

Compliance good. Base milk last half of January, \$3.25, and excess over base, \$1.59. Surplus in market about 12 per cent.

Ft. Wayne - Market Administrator C. W. Humrickhouse.

Fully 90 per cent of the milk distributed in Ft. Wayne area was represented in the pool reports for last half of January. The blended price for that period was \$1.79. Dealers anxious to retain license, and vast majority of them are reporting regularly, in spite of acute price war.

Grand Rapids - Market Administrator L. C. Collier.

Market operating 100 per cent under the license.

Kalamazoo - Market Administrator L. C. Collier.

A milk license board has been named for Kalamazoo and is working at this time. An approved code of ethics and a probable advance in price may be effective this week. The license operates 100 per cent.

Kansas City - Market Administrator Max Morehouse.

Action by Administration on show-cause orders sent to this area has resulted in phone calls from many producer-distributors asking for their balances and a number of checks also received. The blended price on the last January pool was \$1.88. Daily plant sales of Class I milk show increase of 6,900 pounds for 15 days in January.

Lexington - Market Administrator F. T. Flynn.

The highest pool price yet announced in the market, \$2.07 for base and \$1.60 for surplus, provided a January price which was encouraging to producers. The Association has elected to withdraw their entire supply of milk from all distributors or producer-distributors not complying with the license. Charles Smith of the Dairy Section attended a meeting of the directors of the Association, and also with representatives of pasteurizing distributors. If arrangements made at this meeting can be carried out, the nucleus of a solid group of loyal producers and dealers will be assured in support of the Federal license, which may be the basis for further gains on the market.

Lincoln - Market Administrator A. N. Heggen.

Relief milk orders are taken from dairies not supporting the license. The proposed uniform milk bill now before the Legislature, is being fought by producer-distributors, as well as commercial dealers. Investigation of spreads under way through a legislative committee. The Producers' Association is supporting the milk bill. The blended price was 44 cents per pound of butterfat in last half of January.

Los Angeles - Market Administrator H. C. Darger.

After negotiations with agencies on the market by O. H. Hoffman, Jr. of the Dairy Section in respect to amendments to the license, there seems to be a real improvement in the attitude toward the license by dealers. All large distributors except Carnation Company have reported for January. Class I sales show increase in January.

Louisville - Market Administrator F. T. Flynn.

Severe dealer trade fight led to sudden drop in retail and wholesale prices. Producers refused to arbitrate on price of March milk. The January surplus was $22\frac{1}{2}$ per cent and the blended price was \$2.05 on 4 per cent milk.

New Bedford - Market Administrator O. A. Jamison.

Base milk for January 16 - 31 period was priced at \$3.25 and excess at \$1.40. The State Control Board has revoked the license of a dairy which has been in violation of the State law but is complying with the Federal license. The surplus on the market is about 14 per cent.

Omaha - Market Administrator A. N. Heggen.

All dairies except one in Council Bluffs raised the retail price there, to 10 cents per quart. A narrower dealer margin is apparent on this market with the advance in butter price.

Providence - Market Administrator O. A. Jamison.

Number of reports to the administrator through the pool remains steady. An amended complaint was scheduled for hearing before Judge Letts on February 18 on a petition for preliminary injunction sought by several small dealers.

Quad Cities - Market Administrator Robert Osborn.

More prompt reports noted. Payments also made on back accounts by three dealers who were not complying. A producer-distributor who once sold below the license price is now adhering to minimum schedule. The cooperation with relief agencies on milk orders is getting results.

San Francisco - Market Administrator Charles F. Kunkel.

Administrative hearings on six alleged violators of the license have been concluded and one of the companies has agreed since to make terms and comply. Still other favorable effects of hearings expected. Butter price average for the week, 36.7 cents.

Sioux City - Market Administrator A. N. Hoggan.

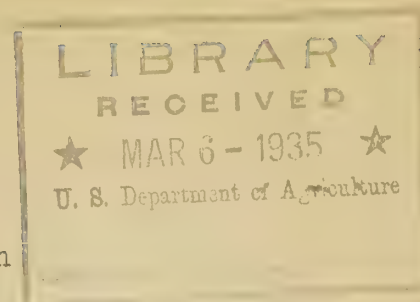
The second January period showed Class I milk at 48 per cent of total deliveries, average price 46 cents per pound fat; Class 2 was about 26 per cent of the deliveries, at 44.8 cents per pound fat. Class 3 milk represented the balance worth 40.8 cents per pound. The blended price was 44.3 cents with Chicago standards at 32.8 cents. All dealers except Equity Union Creamery are reporting. The advance in butter market with consequent increase in scheduled cost of milk is giving some concern to dealers.

Milk and Cream Prices for Week Ending February 8, 1935.

Markets	Standard Milk Prices Per Quart			Half Pints Light Cream		
	Wholesale	Store	Retail Del.	Wholesale	Store	Retail Del.
Ann Arbor	8¢	10¢	10¢	9¢	11¢	11¢
Atlanta	11	13	14	14	16	18
Battle Creek	6½-8	10	10	8½-10	12	12
Bay City	8½-10	10	10	9	11	11
Boston	9½	11	12	-	-	-
Chicago	9½	11	11	12½	14	14
Denver	8	9-10	9-10	9-10	10-11	-
Evansville	8	9-10	9½	10½	12	12
Flint	8½	10	5-10	10	12	12
Ft. Wayne	5-6	6-7	6 2/3 - 7	10	11-12	12
Ft. Worth	9-10 raw 10 past.	10-12 raw 11-12 past.	10-12 raw 12 past.	10	11-12	12
Grand Rapids	8	10	10	10½	12	12
Kalamazoo	6½	8	8	6½	8	8
Lansing	7	9	9	8	10	10
Lexington	8-10	11	10-12	12	14	14
Los Angeles	9	10	12	11	13	14
Louisville	8	9	10	12	14	14
Muskegon	8	10	10-11	11	13	13
Omaha	8	8-9-10	10	8	8-9-10	10
Phoenix	7	8-9	10	8	10	10-12
Port Huron	6	7	7	9	10	10
Quad Cities	8	9-10	9-10	10	11-13	11-13
Saginaw	8	10	9-10	10	12	12
San Francisco	8	10	12	8	10	11
Sioux City	7	8-9	9	8	10	10
Wichita	7½	9-10	9-10	9	10	10

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DAIRY SECTION
Agricultural Adjustment Administration



MILK MARKET NOTES

February 15, 1935.

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MILK MEN

O. H. Hoffman, Jr. left the West Coast and went to Denver to confer with Market Administrator C. E. Hough in regard to proposed changes in the Denver License. Upon completion of this work, Mr. Hoffman will return to Washington.

Charles S. Smith made a study of the Evansville market in company with Market Administrator E. C. Reeves. From Evansville, Mr. Smith went to Terre Haute, Indiana, where he discussed with producers and distributors the request for a License for the Terre Haute sales area.

At the conclusion of the hearings on an order to show cause at Fort Worth, Texas, O. A. Jamison, former Market Administrator, left by motor for Washington, D. C.; and Providence, R. I., where he will assume the duties of Market Administrator.

John Dunaway left Fort Worth, Texas, and went to Phoenix, Arizona, to meet Market Administrator Malone and producers and distributors. The question of an increase in the price of Class I milk and the matter of enforcement of the License made this trip necessary.

On February 9, Mr. A. H. Lauterbach attended a luncheon of the Interstate Associated Creameries at Portland, Oregon. On Monday, February 11, he attended a meeting of the Dairymen's Cooperative Creamery of Boise Valley, Idaho; and on February 12, the annual meeting of the Jerome Cooperative Creamery, at Jerome, Idaho. From Jerome he went directly to Chicago, where he spent a little more than a day with Market Administrator Frank C. Baker and producers and distributors.

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SECOND MILK CIRCULAR ISSUED

A copy of the second circular of the commodities series on milk is enclosed. This circular relates to the Dubuque milk license. No other circulars are in course of preparation at present. Comments on the effectiveness and value of such circulars and their usefulness to the respective areas are welcome. Suggestions for making any future circulars better are also in order.

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NAVY DEPARTMENT COMPLIES ON ITS PURCHASE REQUIREMENTS IN LICENSE AREAS

The Navy Department has recently responded to the request of the Secretary of Agriculture, and has modified its purchasing regulations to require compliance with licenses issued under the Agricultural Adjustment Act as a condition of contracts let on food supplies. The new contract clause of the Navy Department is identical with that used by the Veterans' Administration, as recently announced in MILK MARKET NOTES. Such requirements are now made by the War Department (which includes CCC camps), Navy Department, Veterans' Administration, and the Bureau of Prisons of the Department of Justice. The method of handling and reporting cases of non-complying licensees who may secure a contract with any of the above-mentioned agencies will be the same as indicated on former occasions.

AROUND THE MILKY WAY

Atlanta - Market Administrator A. W. Howard.

Criticism of producers' established bases said to be ironed out well by pegging all bases below 80 per cent at 80 per cent. Administrator asked to speak at series of meetings of Georgia Milk Producers Confederation. Out of 296 producer-distributors, 203 reported in last period. It is hoped to secure at least 99 per cent compliance with this large group. All 12 commercial pasteurizing dealers reported. Chief trouble seems to be in getting clearly stated figures in reports. Howard feels honored to have Atlanta chosen as the first area to get circular. The public has complimented the Market Administrator's office on the contents of the circular.

Alameda County - Market Administrator C. F. Kunkel.

Everything running well. Distributors want increase in the minimum resale price lists. Class 3 milk price formula may be reconsidered with regard to its relationship to the value of manufactured milk.

Boston - Market Administrator Samuel W. Tator.

With fluid milk sales increasing by 2½ per cent, as compared to first half of January, and production of base increasing about 1½ per cent, the amount of surplus is the same as before. Net price for milk to farmers in 191-200 mile zone was \$2.46 for base milk and \$1.46 for excess for the last half of January. Sales of whole milk were 66.4 per cent of all deliveries and 90 per cent of base deliveries. Further gains in cream values sent the price on excess milk up more than 5 cents per 100 pounds over first part of month. Tator appeared before the Grange to talk on milk legislation and before the annual meeting of the Guernsey Breeders of Massachusetts. Messrs. Hersum and Frost of the Field Investigation Section representatives, conferred with the Administrator en-closer check on violations.

Denver - Market Administrator C. E. Hough.

License operating smoothly. Many dealers are trying to get new customers and thereby decrease their sales and delivery service charges. State milk control is getting vigorous attention in the State legislature. O. H. Hoffman, Jr. stopped off on his way to Washington.

Des Moines - Market Administrator Wm. O. Perdue.

Polk county relief committee has assured Perdue that every dealer desiring to sell them charity milk must furnish a certificate of compliance with the license. Claims will not be paid without such proof of compliance. Iowa State Relief has also assured the Administrator that it will cancel all future bids if the bidder is found to be violating the license. If sponsors of the proposed State milk law do not decide to exempt the producer-distributors from equalization as provided in the Federal licenses, it is predicted that the proposed law may be defeated. Confidence expressed on slow but sure psychological gains in relation to license.

Dubuque - Market Administrator Wm. O. Perdue.

Equalization and administrative fees paid promptly. All distributors and producer-distributors except one are complying with the license. The reserve fund amounts to about 7 per cent of the value of one pool. Producers' association wants an increase in Class I price. Class I price in last pool stood at \$1.60 with Chicago market average for butter at 33.3 cents per pound.

Evansville - Market Administrator E. C. Reeves.

Conditions on the market reported as very satisfactory with no change.

Ft. Wayne - Market Administrator C. W. Humrickhouse.

Market conditions about as usual. Charles Smith of the Dairy Section was a speaker at the annual Wayne Cooperative Producers meeting. The State Milk Control Bill was heard in committee last week and passage of the bill seems probable, with a few minor points to be amended.

Kansas City - Market Administrator Max Morehouse.

No change in conditions. A number of producer-distributors have filed their back reports and paid administrative fees.

Los Angeles - Market Administrator H. C. Darger.

Proposed 62-cent Class I price and several alterations in class usages have been suggested to dealers and all except one have agreed to accept them. Darger is confident that perfecting these changes will bring about better general compliance on the market, and settlement of the January adjustment account promised to follow such amendments. January blended price was $61\frac{1}{8}$ cents per pound butterfat after a scaling down of bases by 18 per cent. Eradication of tubercular cattle is having a decided effect on demand for cream, especially from San Joaquin Valley.

Lincoln - Market Administrator A. N. Heggen.

The entrance of a cash and carry dealer has disturbed the market somewhat as distributors seem unable to meet such competition because butter price is high. The legislative committee investigating spreads between farm and consumer for milk has not finished its report. Uniform State milk law introduced.

Louisville - Market Administrator Fred Flynn.

Flynn has notified dealers that any milk sale below 7 cents per quart is a violation of the license. This is in the midst of a severe price war. An agreement wholly between producers and distributors has been tentatively drafted. The agreement provides a schedule of prices about the same as those in effect before the first reduction. The list also includes peddler prices. Under the proposed agreement, a milk industry board, including three members from producers and three from distributors would determine the schedule that dealers would agree to accept and use. The agreement provides that in case of violation and after a fair hearing before the committee, the violator will accept as penalty the withdrawal of his milk by the producers' group supplying him. The Administrator has had nothing to do with this movement. No reduction in the price to producers has been reported. Ability of some firms to meet milk payments is questioned because of the milk war.

Newport - Market Administrator O. A. Jamison.

Compliance good in general. Last half of January, base milk was \$3.24 and excess, \$1.56. Sales about as usual. Surplus in market, 18 per cent. Ratio of excess deliveries to total, 11 per cent.

Omaha-Council Bluffs - Market Administrator A. N. Heggen.

All dealers buying milk from producers are paying on use basis. Producer-distributors of Council Bluffs and Omaha want higher minimum and higher retail prices because of high feed costs. Other dealers would be likely to fight this increase.

Phoenix - Market Administrator J. S. Malone.

Producers are demanding increased price through amendment to license. They agree with dealers that minimum on resale schedules should be raised. Very little surplus.

Providence - Market Administrator O. A. Jamison.

No further developments on restraining order. January final price for base milk, \$3.24 and for excess, \$1.59. Sales up somewhat. Surplus milk is 16.5 per cent and ratio of excess to total deliveries is about 6 per cent.

Quad Cities - Market Administrator Robert Osborn.

Operation of license steadily improving lately. Base reductions have accounted for an increase in the blended price. Delivered bases were 110 per cent of Class 1 and 2 sales and 76 per cent of total deliveries. Good reports this month mean that 91 per cent of all producers and volume is represented in the pool. Class 1 sales are about 54 per cent of total. Dealers report no complaints of decreased sales to consumers since they raised the retail price to 10 cents on February 1.

San Diego - Market Administrator H. C. Darger.

Reports for first half of February pool arriving nicely. Only one or two distributors known to be opposing the license. O. T. Farrell was named office manager at San Diego, with W. Herren as the deputy market administrator. Both came here from Los Angeles office.

Sioux City - Market Administrator A. N. Heggen.

Last half of January the pool showed 49.6 per cent Class 1 at 46 cents per pound butterfat; 26.5 per cent Class 2 at 44.8 cents; and 23.9 per cent Class 3 at 40.8 cents. Producers asking for increase in Class 1 price without reaching any agreement with dealers.

Tulsa - Market Administrator J. B. McCroskey.

Market seems stable. Local Consumers Council requested evidence on recent price advance from representatives of the producers and distributors, as well as the Market Administrator's office. Evidence was presented to show that 78 per cent of the increase of 2 cents went to producers and 22 per cent to distributors.

MILK AND CREAM PRICES FOR WEEK ENDING FEBRUARY 15, 1935.

Markets	Standard Milk Prices Per Quart			Half Pints Light Cream		
	Wholesale	Store	Retail Del.	Wholesale	Store	Retail Del.
Atlanta	11¢	13¢	14¢	14¢	16¢	18¢
Alameda County	8 $\frac{1}{2}$	10	11	12	13	15
Baltimore	11	11	12	13	13	15
Boston	9 $\frac{1}{2}$	11	12	-	-	-
Denver	8	9-10	9-11	9-10	10-11	12
Des Moines	-	-	-	10	-	12
Dubuque	6-7	7-9	8-9	7-8	8-10	10
Evansville	8	9-10	9 $\frac{1}{2}$	10 $\frac{1}{2}$	12	12
Ft. Wayne	5-6	6-7	6 $\frac{2}{3}$ -7	10	11-12	12
Los Angeles	9	10	12	11	13	14
Lexington	8-10	11	10-12	12	14	14
Louisville	7	8	9	12	14	14
Omaha	8	8-9-10	10	8	8-9-10	10
Phoenix	7	8-9	10	8	10	10-12
Quad Cities	8	9-10	9-10	10	11-13	11-13
San Diego	9	11	12	11	14	15
San Francisco	8	10	12	8	10	11
Sioux City	7	8-9	9	8	10	10
Tulsa	10	11	12	12	13	14

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DAIRY SECTION
Agricultural Adjustment Administration

MILK MARKET NOTES

February 22, 1935

MILK MEN

W. J. Griffith, Jr. and E. M. Harmon have been in Providence, Rhode Island, to study conditions in the New England markets with the Market Administrator. They will also visit in Boston, Massachusetts.

After concluding his work in Ft. Worth, Texas, with those who are interested in State Milk Control legislation, John A. Dunaway left for San Antonio, Texas, to meet with the Alamo Cooperative Milk Producers Association and others in that market.

Charles S. Smith is in Louisville, Kentucky, to assist the Market Administrator in working on the problems of that area.

J. J. Murray has been in Durham, North Carolina, conferring with producers. He has been invited to address a meeting of producers in the market.

George Irvine met with the Market Administrator, producers and distributors in Richmond, Virginia, for the purpose of working on an amended License based on the recent public hearing at Richmond.

Representatives from Detroit, Michigan, met with officials of the Dairy Section, February 21, relative to a proposed increased price to producers for the Detroit Sales Area.

A. D. Lynch and representatives of the producers and distributors of St. Louis were in Washington regarding a request of the St. Louis market for an amended License.

Market Administrators Leon C. Collier, O. A. Jamison, Fred L. Shipley, and Frank C. Baker were in Washington to discuss problems of their respective markets.

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AROUND THE MILKY WAY

Atlanta, Georgia - Market Administrator A. W. Howard

Cooperative sentiment appears to be stabilizing the market. Notice sent to ten producer-distributors in violation of license and information supplied to all distributors regarding same.

Chicago, Illinois - Market Administrator Frank C. Baker

Production per farm is about 6 to 8 per cent under last year at this time. This week newspapers carried an announcement of the resignation of Mr. Baker as Market Administrator, and his acceptance of a position with the Agricultural Adjustment Administration working out of headquarters office.

Denver, Colorado - Market Administrator C. E. Hough.

O. H. Hoffman Jr. and the Market Administrator conferred with agencies on the market relative to amendments to the license. In connection with a proposed State Milk Control law, the dealers favor the Federal license.

Kansas City, Missouri - Market Administrator Max M. Morehouse.

Milk Control bills were introduced in both the Kansas and Missouri legislatures. A dairy school at Lee's Summit, Missouri, will include a section on relations of dairymen with the Agricultural Adjustment Administration. Some talk of asking for a hearing to amend the license.

Lincoln, Nebraska - Market Administrator A. N. Heggen

Some producers discontinued selling fluid milk and are selling butterfat. Butterfat price war followed. Producers who used to get special favoritism from dealers and who are not members of the cooperative are trying to get signers to a petition to have license cancelled. Local fight on with new cash and carry store causing some concern to producer-distributors particularly. Radical producers circulating petition to kill the Uniform Milk Bill in legislature. The Association is circulating counter petitions. The Administrator is taking a middle course and simply trying to present all producers with a concrete history of the Lincoln market and the advantages accruing because of the license. Consumers anxious to learn more about the license and the reason for butter price advances.

Los Angeles, California - Market Administrator H. C. Darger.

Area is waiting anxiously for action on amendments to license. Decision of circuit court also cause of great interest.

Louisville, Kentucky - Market Administrator Fred Flynn.

Proposed amendment to section F of the license offered for consideration by agencies on the market. It would broaden the duties of the Milk Industry Board greatly by permitting them to make a general survey of production and distribution costs and then to establish prices for resale of milk to consumers. The policing would be done by the industry committee under the plan.

Omaha-Council Bluffs - Market Administrator A. N. Heggen

Competitive situation in Council Bluffs expected to break the recent rise to 10 cents per quart and force it back to 9 cents.

Phoenix, Arizona - Market Administrator J. S. Malone

Agencies on market want to boost the resale price structure upward one cent, to be effective February 25. Uncertainty exists on entire set-up owing to pending amendments which are still uncompleted.

New England Markets Outside of Boston - Market Administrator
O. A. Jamison

Providence dealers improving in accuracy and punctuality of their reports. Conditions in these markets quiet.

Quad Cities - Market Administrator Robert Osborn

Olen Wells of Field Investigation Section spent two days checking up on violations. Creditors of a bankrupt dairy company have received notice of a meeting. Higher Class I and Class II prices to producers likely, and dealers seem to anticipate this.

San Francisco, California - Market Administrator C. F. Kunkel.

One of the violating dealers against whom Administrative action has been taken has agreed to comply fully with the license and also to pay up its accrued obligations to the producers and the Market Administrator.

Tulsa, Oklahoma - Market Administrator J. B. McCroskey.

Some sentiment appears on the market for elimination of the equalization feature of the dealers' pool so that each dealer will pay each producer according to his average class uses. This plan has been discouraged by the Administrator because it seems unsound.

Milk and Cream Prices for Week Ending February 22, 1935.

Markets	Standard Milk Prices Per Quart			Half Pints Light Cream		
	Wholesale	Store	Retail Del.	Wholesale	Store	Retail Del.
Atlanta	11¢	13¢	14¢	14¢	16¢	18¢
Chicago	9½¢	11	11	12½¢	14	14
Denver	8	9-10	9-11	9-10	10-11	12
Evansville	8	9-10	9½¢	10½¢	12	12
Ft. Worth	9-10 raw 10 past.	10-12 raw 11-12 past.	10-12 raw 12 past	10	11-12	12
Lexington	8-10	11	10-12	12	14	14
Los Angeles	9	10	12	11	13	14
Louisville	7	8	9	12	14	14
Omaha	8	8-9-10	10	8	8-9-10	10
Phoenix	7	8-9	8-10	8	10	10-12
Quad Cities	8	9-10	9-10	10	11-13	11-13
San Diego	9	11	12	11	14	15
San Francisco	8	10	12	8	10	12
Tulsa	10	11	12	12	13	14
Wichita	7½¢	9-10	9-10	9	10	10